GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries and Commerce Department – Extension of certain incentives under Industrial Development Policy 2015-20 to M/s Rockman Industries Limited to set up a facility for production of aluminium alloy wheels for passenger cars and Aluminium die casting components for two and four wheelers in Chittoor district with an investment of Rs 652 Crores in 3 phases – Orders - Issued.

INDUSTRIES & COMMERCE (POLICY & INVESTMENT) DEPARTMENT

G.O.MS.No. 155 Dated: 08-11-2017

Read the following:-

1. No.GAD-44044/58/2017-EXOFFSECY-GAD of CEO, APEDB.
2. State Investment Promotion Committee Meeting held on 16.10.2017.
3. State Investment Promotion Board Meeting held on 17.10.2017.

>><<

O R D E R

In the reference 1st read above, Chief Executive Officer, Andhra Pradesh Economic Development Board has forwarded the proposal of M/s Rockman Industries Limited to set up a facility for production of aluminium alloy wheels for passenger cars and Aluminium die casting components for two and four wheelers in Chittoor district with an investment of Rs. 652 crores in 3 phases generating an employment for 1000 people directly. M/s. Rockman Industries Limited intends to establish its facility to enable supply to Hero Moto Corp and Kia Motors. The Company plans to produce Aluminium Alloy Wheels through Low Pressure Die Casting (LPDC) technology in technical collaboration with a Korean corporation.
The Company has requested for the following:

Requests within the Policy

(i) 100% reimbursement of stamp duty and transfer duty.
(ii) Facilitating all industrial clearances in 21 working days. Facilitating pre/post commencement services and clearances provided by multiple State agencies/ Departments through the investment lifecycle.
(iii) All other initiatives as per the Industrial Policy 2015-20.

Requests outside the Policy

(i) Project to be treated as also fulfilling Hero Motocorp's commitment for ancillaries as Rockman Industries Limited is a critical supplier to them.
(ii) Land of 45 acres identified at Tirupati to be allotted as freehold at Rs. 1 lakh per acre.
(iii) Provision of basic amenities like power and water at project site or reimburse actual cost.
(iv) Reimbursement of power cost of Rs.2 per unit for a period of 7 years from commencement of production.
(v) Water supply at 50% of the price of existing industrial supply tariff for the initial 7 years.

Contd....2

(vi) As project is dependent on availability of gas as fuel, Company requests for a provision of piped natural gas by 2018 at a 50% concessional rate for the initial 7 years.

(vii) 100% IGST reimbursement for 10 years. Gross VAT/SGST reimbursement on sale of finished goods for 20 years, or 150% of capex spent in first 7 years, whichever is earlier. Concessional VAT/SGST rates on input & capital goods @ 5% and reimbursement of State VAT/SGST of input credit for 20 years. 75% reimbursement of Gross VAT/SGST for 10 years from the date of commercial production or 100% of capex spent in first 7 years, whichever is earlier 25% subsidy with a ceiling of Rs. 50 crore for sustainable green measures.

(viii) 10 % subsidy on cost of plant & machinery for specific cleaner production measures limited to Rs.35 lakhs.

(ix) 50% subsidy with a ceiling of Rs. 50 crore for sustainable green measures.

(x) Facilities of ease of doing business for labour related legislations:

(a) Permission for 24x7 (three shifts) operations.
(b) Employment of women in the night shifts.
(c) Flexibility in employment conditions including working hours for women and shorter or longer shift timings.
(d) Hiring of contract workers.
(e) Prevention of flash strikes.

2. In the reference 2nd read above, the State Investment Promotion Committee (SIPC) discussed the proposal of M/s Rockman Industries Limited in detail and recommended for extending the following incentives under Industrial Development Policy 2015-20:

(1) Andhra Pradesh Industrial Infrastructure Corporation (APIIC) shall allot the required land, as per rates fixed by APIIC.
(2) 100% External infrastructure assistance for approach road and water supply or the actual whichever is less.
(3) 100% Net SGST accrued to the State for a period of 7 years or limited to realization of 100% of the capex, whichever is earlier.
(4) 50% subsidy for green measures as per IDP 2015-20 Policy with a ceiling of Rs. 50 Crore, as being a Mega Project.
(5) Other incentives as per the IDP Policy 2015-2020.

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) discussed the proposal of M/s Rockman Industries Limited, in detail and decided to extend the following incentives to M/s. Rockman Industries Limited under Industrial Development Policy 2015-20:

(i) Andhra Pradesh Industrial Infrastructure Corporation (APIIC) shall allot 45 acres of land, as per rates fixed by Andhra Pradesh Industrial Infrastructure Corporation.
(ii) To consider 100% External infrastructure assistance for approach road and water supply, post submission of detailed estimates.
(iii) Power cost reimbursement @ Rs 1.00 per unit for a period of five (5) years from the date of commencement of commercial production and extendable to another two (2) years, on satisfactory performance of the unit, since the unit is located in Chittoor which is a backward district with high direct employment potential.

Contd....3

(iv) Water supply @Rs 25/KL for five (5) years from the Date of Commencement of Production.
(v) 100% Net SGST accrued to the State for a period of 10 years or limited to realization of 100% of the capex, whichever is earlier.
(vi) 50% subsidy for green measures with a ceiling of Rs. 50.00 crore (Rupees fifty crores), as extended to all other Mega Projects.
(vii) Other incentives as per the Industrial Development Policy 2015-2020.

4. Government after careful consideration of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s Rockman Industries Limited, to set up a facility for production of aluminium alloy wheels for passenger cars and Aluminium die casting components for two and four wheelers in Chittoor District with an investment of Rs. 652 crore in 3 phases generating an employment for 1000 people directly :

(i) Andhra Pradesh Industrial Infrastructure Corporation (APIIC) shall allot 45 acres of land, as per rates fixed by Andhra Pradesh Industrial Infrastructure Corporation.
(ii) To consider 100% External infrastructure assistance for approach road and water supply, post submission of detailed estimates.
(iii) Power cost reimbursement @ Rs 1.00 per unit for a period of five (5) years from the date of commencement of commercial production and extendable to another two (2) years, on satisfactory performance of the unit, since the unit is located in Chittoor which is a backward district with high direct employment potential.
(iv) Water supply @Rs 25/KL for five (5) years from the Date of Commencement of Production.
(v) 100% Net SGST accrued to the State for a period of 10 years or limited to realization of 100% of the capex, whichever is earlier.
(vi) 50% subsidy for green measures with a ceiling of Rs. 50.00 Crore (Rupees fifty crores only), as extended to all other Mega Projects.
(vii) Other incentives as per the Industrial Development Policy 2015-2020.

5. The Commissioner of Industries, Andhra Pradesh, Vijayawada & the Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Vijayawada shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Andhra Pradesh, Vijayawada.
The Vice Chairman & Managing Director, APIIC, Vijayawada.
M/s. Rockman Industries Limited through the Commissioner of Industries, Andhra Pradesh.

Contd....4

Copy to
The Finance (FMU-Rev-IC)Department.
The Revenue (CT) Department.
The Water Resources Department.
The PR&RD Department.
The TR&B Department.
The Energy Department.
The EFS&T Department .
The MA&UD Department.
The Law (H) Department.
The Commissioner of Commercial Taxes, Vijayawada.
The Collector & District Magistrate, Chittoor District.
The General Manager, District Industries Centre, Chittoor District.
The Zonal Manager, APIIC, Chittoor.
The Accountant General, Andhra Pradesh, Hyderabad
P.S. to Secretary to Chief Minister.
P.S. to Minister for Industries.
P.S. to Chief Secretary to Government.
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
P.S. to Secretary to Government, Mines and Geology
SC/SF.

// FORWARDED BY ORDER //

SECTION OFFICER